

TENNESSEE REGULATORY AUTHORITY



FOR IMMEDIATE RELEASE

March 24, 1999

CONTACT:

Greg Mitchell
615-741-2904
Ext. 131

TRA STUDIES TENNESSEE UTILITIES' Y2K PREPAREDNESS; ISSUES REPORT ON FINDINGS

NASHVILLE -- The Tennessee Regulatory Authority (TRA) has completed its initial report on the "Y2K" status of Tennessee's regulated utility companies and finds that progress is being made towards being ready for January 1, 2000.

The report, **"The Year 2000: An Interim Status Report on the Preparedness of Regulated Utilities,"** looks at the progress the state's regulated utilities are making towards becoming Y2K compliant.

"Y2K" or otherwise known as the "Year 2000 Problem," refers to the inability of most computer systems to distinguish between the years 1900 and 2000. Because of the inability on the part of computers to read the last two digits in the year 2000, it is believed by many computer experts that problems may occur affecting both the public and private industries.

"One of the industries dependent on computer technology is the utility sector," says Eddie Roberson, of TRA's Consumer Services Division. "Everything from making a basic telephone call to turning on gas heat involves computer systems that rely on date-coded technology that is prone to Y2K problems."

There are 46 utilities under the TRA's jurisdiction surveyed for the status report. Of the 46, four provide natural gas services; 12 provide water and sewer services; 29 are providers of telecommunications; and one provides electric services.

In addition, 189 natural gas systems (under TRA jurisdiction for safety purposes only) were also surveyed. The number of utilities surveyed totaled 239.

Page 2

Survey's outcome? The survey's findings revealed that Y2K compliance is of great concern to many utility company respondents; with many believing that the end of the year deadline will be met.

Says Glynn Blanton, TRA's Chief of Gas Pipeline Safety, "Many of the smaller operators simply updated their entire systems by purchasing new operating equipment."

The survey's findings also revealed that many of the medium to large gas distribution operators plan on investing up to \$100,000 upgrading outdated systems.

Says Roberson, "The fact that most companies are making a concerted effort to specifically deal with Y2K issues speaks well for the regulated utility industry in Tennessee."

Blanton agrees, "At the very least, most operators take the Y2K issue seriously and are working toward compliance."

Action was also taken by the TRA directing regulated utilities to file updates with the TRA on Y2K compliance progress. A follow up report will be released in the fall of this year.

###